IN THE HIGH COURT OF JUDICATURE AT BOMBAY
APPELLATE SIDE

WRIT PETITION NO.3610 OF 2005

Shimnit Utsch India Pvt. Ltd. & Anr. ...Petitioners.
Vs.
Union of India & Ors. ...Respondents.

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Mr. U. P. Bobde with Mr. S. M. Khaire for the Petitioners.
Mr. Y. R. Mishra for Respondent No.1.
Mr. Ashokan i/b. Ms.Sonali Joshi for Respondent Nos. 2 and 3..

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**CORAM : A. P. SHAH AND**
**DR.D.Y.CHANDRACHUD, JJ.**

**July 1, 2005.**

**P.C.:**

By diverse notifications issued by the Central Government in 2001 and 2002, a scheme came to be evolved for implementing the utilisation of High Security Registration Plates in motor vehicles. On 14th November 2002, the Director of Transport in the Union Territory of Daman and Diu, issued a notice inviting tenders for the selection of eligible manufacturers possessing type approval and requisite manufacturing capacity to produce, supply and affix High Security Registration Plates to motor vehicles at the offices of registering authorities in the Union Territory. Tenders were to be opened on 4th December 2002. The Petitioners are

stated to have submitted their bid in pursuance thereof. It has been stated that the Petitioners were found to be duly qualified when the pre-qualification bids were opened. Final bids were opened on 20th December 2002 and it has been stated that the Third Respondent called upon the Petitioner and two other tenderers to produce complete sets of samples for each size of High Security Registration Plates for transport vehicles in accordance with clause 2.5.4 of the tender document. Financial bids have not been opened.

2. Several Writ Petitions were filed in different High Courts in States where tenders for such registration plates have been floated. A Writ Petition is also stated to have been filed before the Supreme Court by the Association of Registration Plates Manufacturers of India. In the petition, it has been averred that the Supreme Court transferred diverse petitions which were pending in the High Courts. By its order dated 2nd May 2003, the Supreme Court directed that the State Governments would be at liberty to process the tenders but any final decision regarding the award of contracts shall be placed before the Court in a sealed cover. Such a decision, it was directed, shall not otherwise be implemented

pending further orders. The Court has been informed that on 30th November 2004 all the petitions including the Transferred Petitions were dismissed by the Supreme Court. The Petitioners, in the meantime, are stated to have extended the validity of their offer from time to time until 31st May 2005. On 7th May 2005, an advertisement was published, inviting fresh bids for the supply of High Security Registration Plates under the authority of the Third Respondent. That has led to the institution of these proceedings and it has been urged that the Third Respondent was not justified in inviting fresh bids during the subsistence of the earlier tenders floated on 30th June 2002. The relief which has been sought in these proceedings is to quash and set aside the fresh invitation of tenders dated 5th May 2005 and to direct the Respondents to process the earlier tenders that were submitted in pursuance of the invitation of 14th November 2002.

3. Submissions have been filed on behalf of the Administrator of the Union Territory of Daman and Diu and the Director of Transport who are the Second and Third Respondents to these proceedings. It has been stated that a High Powered Committee chaired by the Finance Secretary of the Union Territory

of Daman and Diu decided to cancel the earlier tenders of 2002 and to invite a fresh common tender for the Union Territories of Daman and Diu and for Dadra Nagar Haveli. A copy of the Minutes of the Meeting of the Committee has been produced before the Court. The Committee has noted that in pursuance of the earlier tenders, the Petitioners had quoted the lowest bids respectively for certain items. On 11th May 2005, the Petitioners were called upon to attend the meeting for negotiating the rates before the RLA since a supply order had to be issued to the single lowest party. However, it has been stated that the Petitioners did not in their reply dated 13th May 2005 respond to the request to negotiate the rates and the letter conveyed the impression that the Petitioners were unwilling to negotiate their rates any further. Besides, it has been stated that if common tenders are issued for the Union Territory of Daman and Diu and for Dadra Nagar Haveli, benefits could be obtained of economies of scale by having common rates.

4. We have perused the submissions filed before the Court and the Minutes of the Meeting of the High Powered Committee. The earlier tenders were issued in 2002. The proceedings that were instituted in order to challenge the tenders that were floated

by various State Governments were concluded after the Supreme Court dismissed all the petitions on 30th November 2004. The reasons which have weighed with the High Powered Committee for cancelling the earlier tenders and in ordering fresh tenders cannot be regarded as arbitrary or extraneous. The Committee was of the view that tenders for the Union Territories of Daman and Diu and of Dadra Nagar Haveli should be invited afresh so that if common rates were made applicable, this would result in economies of scale. The benefit would ultimately enure to consumers. These reasons are not arbitrary. This relief which has been prayed for in these proceedings cannot hence be granted.

5. There is no merit in the petition which is accordingly dismissed.

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